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THE CO-OPERATIVE MOVEMENT IN KASHMIR

A MESSAGE TO THE RISING GENERATION

"IF THE SYSTEM OF CO-OPERATION CAN BE INTRODUCED AND
UTILISED TO THE FULL, I FORESEE A GREAT AND GLORIOUS
FUTURE FOR THE AGRICULTURAL INTERESTS OF THIS
COUNTRY"

13th December 1911.

His Majesty the King-Emperor

BY

CHAUDHRI TULSI RAM

Registrar, Co-operative Societies, Kashmir Province.



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The Co-operative Movement in the Kashmir Province.

“EACH FOR ALL AND ALL FOR EACH.”

The Co-operative Movement has been rightly styled as a religion applied to business. It is the only real and efficacious remedy for all economic and social ailments and evils. The benefits of co-operation are manifold, some of these are apparent, others not. They can be classified as economic, social and political. In each of its aspects the Co-operative Movement is worthy of attention. The advantages are so obvious that there is perhaps not a single civilised country in the world, which has not anxiously adopted it or tried to widen its scope. Countries like Great Britain, Germany and the United States of America have found the Co-operative Societies to be beneficial for the national welfare.

The Movement being essentially an economic one, it is natural that this aspect should be considered first.

In countries like Germany, Italy and Denmark, the results have been almost phenomenal. Rates of interest have been brought down from 30 and 50 per cent to 3 and 4 per cent. Usury has practically disappeared where ere this it was the rule of the day. The poor agriculturists and artisans have now at their disposal funds in sufficient quantity which they never had before, and this too on fair and suitable terms. In consequence production and enterprise have increased. The quality, as well as the quantity, of agricultural products has been improved by the aid of mechanical fertilisers and feeding stuffs. A decrease in

the cost of production has effected a reduction in the sale price, and inspite of this it has been all the more profitable to both the producers and the consumers because the middle men have almost disappeared. It would not be out of place to observe that the urban people live chiefly on the produce of the agriculturist. But between the producer and the consumer there are a number of middle men—the grain dealers, the merchants, the carriers, the wholesalers and the retailers. These middlemen, for their own selfish ends, increase the sale price to a maximum and try to keep down the purchase value to the detriment of the agriculturist, and thus pocket a large profit themselves. Indeed, the middle-men live and become rich at the expense of both the producer as well as the consumer. The Co-operative Movement strikes at the very roots of this all-round exploitation. It helps the poor, protects the consumer, and eliminates the middlemen, who are nothing but an unnecessary evil. By adopting the Co-operative Movement a country like Denmark, which nearly 60 years ago was threatened with national extinction has, inspite of the poverty of its soil, become one of the most prosperous countries in the world. Likewise in Germany vast tracts that were barren and bleak and more often than not peopled with ill-fed, ill-clad, and discontented agriculturists who had to live in wretched mud huts, have become transformed into fertile fields and vineyards which today teem with live-stock and the inhabitants of those lands are now cheerful, happy and industrious. They live in well built sanitary houses and cottages. Such are the results achieved in countries which adopted the Co-operative Movement rather early. But the need of co-operation in our country is undeniably greater than that of European countries. There is no country in the

world where the social and economic conditions are so very favourable for the spread of the Co-operative Movement as this country, for she is notoriously one of the poorest and economically the least organised.

It is now fourteen years since the Co-operative Movement was introduced in Kashmir, with the main object of improving the economic condition of the masses by inculcating in them the spirit and practice of thrift, self-help and co-operation. A large proportion of the population is engaged in agriculture and the allied pursuits. The agriculturist is illiterate, conservative and almost hopelessly under debt. The usurious rates of interest in their various forms and styles, nomenclatures and designations, are forced on him by the village *sahukars*, which thus preclude the possibility of his ever getting free from the incubus of debt or of his even making an effort to improve his agricultural means. It was, therefore, considered necessary to organise primarily Co-operative Credit Societies to provide facilities for giving credit, at low rates, to the agriculturist for his current and productive requirements. The Co-operative Credit Societies were, therefore, the first to be inaugurated in the Province.

The primary Co-operative Credit Society is formed in its first stage by a number of individuals, not less than ten, each of whom is individually unable to obtain easily or adequately the credit which is essential for his small avocations. They thus combine together to get this necessary credit on reasonable conditions. In order to achieve this object each becomes liable for the debt of the Society to the extent of the whole of his assets. At present the Societies of this kind form by far the largest number of the Co-operative institutions. They number 1100 in all with a membership of 27,500. Though the number is not large, when it is borne in mind that 13,55,733 people living in 3,622 villages have to be financed by the Co-operative

funds, but still it is gratifying to find that the demand for such Societies is a continuously increasing one, and this too in such parts of the Province where so far there is but one Credit Society for every three villages, *i.e.*, one for every 1,232 of the population. But we ought not to be tempted to go too fast and outgrow our strength. A good and sound Society can do more good not only to its own members but also to the Co-operative cause. Therefore, except for special reasons, increase in the number of Societies ought to radiate from existing centres of co-operation and should be based on a well developed desire to imitate the existing good Societies.

The Maclagan Committee made the Registrar primarily responsible for seeing that the Societies were organised on sound Co-operative principles, and in the matter of organisation the point on which they rightly laid the greatest stress was that the members should have thoroughly assimilated these principles. They further remarked that they could not too strongly urge the necessity for a careful teaching of the Co-operative principles both before and after registration. It is through these Societies that the members can be taught to manage their own affair; they should not be kept in leading strings but all possible efforts should be directed at making them businesslike and developing in them the sense of responsibility so that by steadily keeping before them the ideal they may soon be able to work out their own welfare, both material and moral, in the true spirit of mutual help and co-operation.

These Co-operative Credit Societies have done a great good in more ways than one. Obviously they finance the agriculturists and poor artisans for their immediate productive needs and lighten the burden of debt by doing away

with the necessity of resorting to the money-lenders. But they do much more than this. They have been instrumental in forcing down the rates of interest charged by *sahukars*. They have awakened a better perception and realization of their economic value among the cultivators. They have proved excellent training grounds in various directions and have made better men of them.

The progress of the Movement so far shows only a one-sided development, and the Co-operative Credit Societies overwhelmingly out-number the non-credit organisations. As compared with 1100 Credit Societies there are only 100 non-credit Societies, such as Consolidation of Fragmented Holdings Societies, Compulsory Education Societies, Experimental Farming Societies, Adult Education Societies, Sanitation, (Better Living) Societies, and Firewood Supply Societies, etc., etc. The number of members in the non-credit Societies is about 7,500. Thus the total membership of the Co-operative Societies at present comes to 35,000 which means that—counting that one member represents a family consisting of 5 persons—only one-eighth of the population has so far been touched by the Co-operative Movement. This is, however, not to be wondered at for the chief object of Co-operation in this country was to cope with the stagnation of the poorer classes and more especially to provide credit at reasonable terms for the small agriculturists, who represent the very backbone of the Government. The problem of agricultural credit was considered to be of far more urgency than that of industrial credit, and as such the efforts have been mainly devoted to the relief of the small agriculturists and artisans. It has been a universal experience that the development of sound Co-operative credit normally and naturally leads to the development of

various other forms of co-operation. It is my belief that great developments may soon be expected in many branches of agricultural organisations as well as in industrial co-operation. It is not impossible that these developments may in time surpass in their importance even the credit institutions though at present these cover a comparatively small area and are in their infancy. The Movement in this country is barely 14 years old and yet remarkable results have materialised. The success achieved so far is a parallel of its own, but it dwindles to nothingness when we bear in mind the inherent future possibilities. It is, therefore, all the more necessary that the educated sons of the soil should interest themselves in its developments.

THE CO-OPERATIVE CREDIT SOCIETIES OF SHARE-TYPE IN THE KASHMIR PROVINCE.

The Co-operative law insists that the members of a Co-operative Society, formed to provide loans or funds for its members, must be drawn from a small specified area, they must belong to the same tribe, class, caste or occupation, and further that where a majority of them are agriculturists their liability must be unlimited. The condition of unlimited liability is in no way a restriction. It is essential as it ensures the lenders and the depositors against loss. It is the only security that can be developed among the villagers—a poor community, and is deemed indispensable in order to put such persons on their guard who are not accustomed to forethought in financial matters. But it does not follow that the whole property of a member, much less the whole property of all the members, is in any sense involved. Having offered their joint unlimited liability, the members proceed to impose a series of restrictions and precautions, with a view to confine their actual liability within narrow limits, by fixing maximum credit limit of the Society and maximum credit limit for individual members. They are not only careful in the selection of the new members but they also scrutinize the objects for which loans are asked, and exercise a careful supervision over their proper use which they do by demanding security of one or more persons for every loan. The risk of unlimited liability is further removed by the building up of a Reserve Fund which rightly serves as a buffer between their property and the creditors of their Society. To safeguard against the least possible dangers the members bind themselves to pay up their shares in annual instalments.

Besides affording an opportunity to the members to

save their earnings by practising thrift, this share system has tangibly proved to be a real source of attraction to both the creditors and the depositors. The proper view of the share system is that it is an agreement among the members to pay up in advance a portion of their unlimited liability. It undoubtedly contains a strong element of thrift and as the funds are invariably employed in the business of the Society, and with interest accruing thereon, the Reserve Fund is gradually increased. The main advantages of the share system are the rapid increase in the capital of the Society and the equal and rapid deliverance of its members from the outside credit, with a possibility of reducing the rate of interest to the members at a much earlier stage than is practicable in non-share Societies. And, above all, their chief feature is the great financial strength of the Societies with shares which render them less susceptible to the various fluctuations of the money market.

In order to attain the ideal stage of absolute independence from the clutches of the usurers, and thus to reduce the rate of interest, it is essential that the Societies should own sufficient capital. Without this they are bound to be slow in their success, and the promises held out by all the pioneers of the Co-operative Movement will remain unfulfilled, which would indeed retard the Movement a great deal.

The chief object of the Credit Societies is to finance the members for productive purposes, and for essential unproductive objects. But the Movement cannot be said to have performed its economic functions adequately if the Societies do not succeed in promoting thrift, and thereby redeem the members from their previous debts which are not only very heavy but also bear high rates of

interest. It is an open secret that the earnings of the poor farmers, small as they usually are, are insufficient to meet the heavy interest, and very rarely can they reduce even a moiety of the principal. Therefore, from the economic point of view, the entire extinction of a member's debts and the substitution of the Credit Society as his sole creditor, appears to be the most satisfactory, nay, the only possible course of extricating him from the clutches of the money-lenders. But in order to avoid a demoralisation and weakening of his character, necessary safeguards must be taken, and the habit of assiduous corresponding efforts on the part of the debtor himself must also be developed.

All the Credit Societies in Kashmir were founded on share system, and all the members, rich and poor alike, have been making share contributions in equal amounts. The value of one share is Rs. 50 payable in ten equal yearly instalments. This equal contribution means that a person, in order to be admitted in to a Society, has to subscribe the minimum share and then only to be entitled to a loan. But this is not the correct view of the share system. If the Societies are to be run on this system the members should contribute, within the statutory limits, towards shares, according to their means and resources. It is only through this system that the members can quickly build up their own capital, sufficient enough to meet their requirements in the shortest possible time, and also feel in their Societies a tangible stake which instinctively induces them to evince lively interest in their working.

In other provinces, however, the share-money of the Societies is, according to the former bye-laws, returnable after the completion of ten years, and which, after this period, consequently entails a great fall in the working capital. This makes them more dependent on other financing agencies, and thus their self-sufficiency remains

simply a dream. Further, in case the Societies do not become self-supporting even in 15 or 20 years then the object for which the share system was introduced, remains unaccomplished, and this fact alone tends to give rise to misgivings among the members, and ultimately shake their confidence towards the realization of the cherished goal. In order to accelerate the achievement and to avoid such risks a new bye-law was framed in the Credit Societies in 1924, by which the share-money paid up in 10 years is retained and after carrying at least one-fourth of the accumulated profits, the remaining three-fourth is rateably added to share-money of the individual members forming thereby the future non-returnable shares. Further, dividends are to be given from the beginning of the 12th year on the newly formed shares to the maximum of ten per cent of the profits of the year after carrying at least one-fourth to the Reserve Fund, but fresh contribution of the shares must continue for a further period of ten years. After the expiry of twenty years any further contribution of share-money may cease. Thus it is intended that the Societies should become self supporting at least at the end of the twentieth year and should have enough capital of their own in twenty years as may be ample to meet their requirements and also enable them to acquire long term loans for redemption of land and payment of *sahukari* debts. Undesirable greed for high dividends is obviously minimised by the provision that the annual dividend shall not exceed ten per cent. Moreover, the contemplated reduction in the prevailing rate of interest charged on loans will tend to lower this percentage of dividend still further. No fear of opposition from shareholders, to the proposal for reduction in the rate of interest, when the time comes, is apprehended, as all of them belong

very nearly to the same class and contribute, barring a few exceptions, the same amount of annual share-money. This new bye-law was fully explained to the members of the old, as well as the new Societies, and all of them have accepted it and got the same registered. In Kashmir Province 288 Societies passed their decineal age up to 31st Bhadon 1985, (16th September 1928). Out of this number 278 Societies have settled their decineal accounts. Eight have postponed the settlement of their accounts as very little profits had accrued to them owing to a large number of persistent defaulters. The other two have since been brought under liquidation. 4505 members out of the total of 6174 have completed 10 years of their membership and have got their accounts settled. Their paid up share-money of the first ten years amounts to Rs. 2,57,621 and the accumulated profits of ten years come to Rs. 3,06,444, of which Rs. 2,050 are still recoverable. After carrying Rs. 1,08,859 to the Reserve Fund, Rs. 1,78,042 have been added to the old shares and made non-returnable shares. Rs. 17,493 have been placed as deposit at the credit of the members who joined some years after the commencement of the Societies and, therefore, have not as yet fully paid their shares of Rs. 50. As soon as they complete ten years, the amount kept as deposit in their respective accounts will be transferred, and added to the share-money in order to form non-returnable shares. Thus the owned capital of these 278 Societies is :—

Share-money	4,35,663
Reserve Fund	1,08,859
Deposit of members	7,493

Rs. 5,62,015

The amount available per capita is Rs. 124 but as

soon as the remaining share-money amounting to Rs. 51,079 due from 1,669 members, who joined late, is paid up, and a further sum of Rs. 50 per member is added to the share-money of each member at the expiry of another ten years, adding to it also the Reserve Fund accruable in the next ten years, the amount available per head will evidently be quite large. Thus the necessity for the outside financial help will absolutely disappear. The members of these Societies have repaid *sahukari* debt amounting to Rs. 12,27,133 and within ten years 2,825 members have fully succeeded in extricating themselves from the usurious money-lenders. The above results are no mean achievements of the working of 278 Societies during the short period of ten years, especially when we consider that nearly all these Societies did badly suffer from lack of proper handling, adequate supervision and sound guidance, and that they had to remain practically dormant for about 5 years, *i.e.*, half of their life-time. Since the last five years, with improved supervision, timely assistance, and sound teachings of the Co-operative principles, not only much better results have been guaranteed, but also the members have begun to realize that their dream of financial independence is soon reaching within bounds of actual realization.

A MODEL VILLAGE.

The Co-operative Movement is now diverting its activities into various other beneficial and health giving channels. The history of the Rakh Mujgund Society would, perhaps, illustrate this better.

The Co-operative Credit Society of Rakh Mujgund, a village in Baramulla District, nearly 8 miles from Srinagar on the Srinagar-Bandipore road, was started nearly 13 years ago. It passed its decineal age on 31st Bhadon 1983. Consequently, in accordance with the bye-laws the decineal accounts of the members were settled. After carrying at least one-quarter of the accumulated profits to the Reserve Fund, the remainder was divided rateably amongst the members, they added it to their paid up share-money and thus created future non-returnable shares on which annually a dividend at the rate of 10 % was allowed. The membership of the Society on 31st Bhadon 1985 was 37, of whom 22 have passed their decineal age, and paid up their shares in full. Consequently Rs. 44 were added to the share-money of every member. Both during the last year, as well as this year, they got dividends on their shares at the rate of 10 %. The working capital of the Society is Rs. 8,890 consisting of the following items:—

Share-money	2,598
Reserve Fund	604
Deposit of members	41
Central Bank Loan	5,647

Out of the total working capital of Rs. 8,890, Rs. 3,243 is the owned capital of the Society. This amount is steadily increasing year after year by the addition of profits and share contributions.

The members fully realize the advantages derived

from the Co-operative Credit Society and all the houses of the agriculturists in the village are represented on the membership of the Society. They are now advised to admit to the Society non-agriculturists residing in the village, of course, after careful selection, as they seem very anxious to join the Society so that all good people may be benefited by the Credit Society. All the members who owed about Rs. 11,000 to the money-lenders and were badly entangled when the Society was started, are now free from the grip of the money-lenders, and none resorts to them now, as all their requirements are well met in sufficient time by the Society. This Society was visited on 6th April 1927 by His Excellency the Viceroy who recorded the following note in the Inspection-book of the Society: "I have been very pleased to have the opportunity of hearing about the village co-operative society and of what it has done to help the cultivators. I wish to it, and to them, all success and prosperity."

The narration of the incident connected with the visit of His Excellency the Viceroy would be interesting to the readers which may be summed up as follows:—

His Excellency the Viceroy of India had to visit a Co-operative Credit and Consolidation of Holdings Society at Zoonipora on 6th April 1927. Along with the Zoonipora Consolidation of Holdings Society the Rakh Mujgund Credit Society was selected for inspection by His Excellency. For this purpose the members of the Rakh Mujgund Society had to be taken to Zoonipora village. In order to save their time and trouble a motor-lorry was arranged for taking them to and from Zoonipora. Early in the morning, when the motor-lorry arrived in the village to carry the members to the place of inspection, it was rumoured in the village that the members of

the Society would be taken to the Punjab or China for *kar-i-begar*, instead of Zoonipora, and that they would thus be banished for life and their lands and property would be confiscated by the Co-operative Department, which was so very eager to take their belongings in return for the loans they owed to the Society. This story cunningly fabricated by the wicked enemies of the Co-operative Movement was first heard by the wife of Sattar Tantri, a member of the Society and who had been to a neighbouring village to see her mother. She returned weeping and wailing to her home and there narrated the whole story to her husband. In the meantime the wife of Mohammad Shiekh, another member of the Society, entered Sattar Tantri's house, and felt very uneasy on hearing this story. Both the women then began to cry vociferously and shed tears at the impending departure of their husbands to some unknown land. Both the women, as well as others, vowed that they would not allow their husbands to depart from amidst them at any cost. The wife of Sattar Tantri took the lead and informed her husband in strong terms of her intention. Sattar Tantri, however, took little notice of her. So did the others, and, without minding the protests of their wives, they took their seats in the lorry. This simple act on the part of the members was due to their faith in the Co-operative teachings and the sincerity of the Co-operative Officials. They understood that it was only a web woven by the money lenders simply to cause consternation amongst the families of the zamindars, and thus baffle the Co-operative Department in their attempt to have the Society inspected by His Excellency the Viceroy. It is gratifying to note that the members did not put an iota of credence to the story, and in fact despised it.

The scene when the lorry started was very pathetic, the women and children were weeping bitterly and crying aloud, but the members were all cheerful and gay. After the departure of the lorry hardly did any family warm their hearth, deep mourning and bewailing reigned supreme all the day long, which at last changed into joy when in the evening a lorry stopped near the village and brought back the members to their village.

The above story is narrated from amongst the many which are not unoften concocted and given publicity by the misguided vile enemies of the Movement. The Department is trying its best, with success no doubt, to efface the effect of such like stories from the mind of the simple zamindars and to teach them to be honest in their dealings, sympathetic and helpful to their brethren and to live a life of economy and sobriety.

The good working of the Credit Society aroused a desire in the hearts of the members for further betterment of their condition and they wanted to free themselves from the evils of their fragmented holdings which were scattered over distant and different parts of the village and which costs them a good deal of labour and supervision, besides damage in crop, quarrels and resultant litigation. In order to give practical shape to this desire they at once organised a Consolidation of Holdings Society in their village by whose instrumentality a member could get his small scattered fields consolidated into one or more blocks where he could go easily in time or out of time, keep efficient watch on his crop and improve the condition of his land and extract better yields. Two hundred and fifty-eight members, *i.e.*, all the land holders joined to form the Society. The total area of the village is 9,760 kanals and the number of fields is 978, out of which 757 fields measuring 8,458

kanals were brought under consolidation. These 757 fields have been reduced to 144 blocks. According to the quality of soil, the whole area under consolidation has been divided into 3 plots. The members have very gladly taken possession of the newly formed blocks on the completion of the consolidation work and have now begun to introduce improved methods of cultivation, and cultivate best yielding types of seed. They bought sufficient quantity of maize, (different varieties) and oil-seed from the Partap Model Farm and cultivated in their farms. The results were found more than satisfactory. In 1985 many maize plants bore out 6 cobs and one plant beat all records and bore seven cobs, the biggest measuring 28" and the smallest 13". The plant was 17 feet high and 9½ inches thick.

The members did not stop there, but took a further step towards their own betterment. With a Cooperative Credit and a Consolidation Society already in existence their immediate need was that of a Sanitation Society. It is quite needless to describe the insanitary condition of a Kashmir village as it is too well-known to need description. Heaps of filth giving out most obnoxious smell are the patent symbols of the villages. Consequently a Better Living (Sanitation) Society consisting of 63 members was formed. Under the bye-laws of this Society the members bind themselves not only to keep themselves, their wives, children and other dependents neat and clean and adopt set methods of better living, but also to improve effectively the sanitary condition of their houses and the whole village. The bye-laws authorise the Managing Committee to fine a backslider up to Rs. 50.

Under the auspices of this Society the members cleaned all their houses, cattle enclosures and gutters in the

village, got rid of the obnoxious odour, dug deep pits for storing dung, etc. for manuring, supplied big pots in their kitchens for collecting refuse water, which hitherto they or their womenfolk used to pour down in the compound, made good and clean paths leading from one door to another, and constructed one long circular road within the village and also two other roads on which a motor car could be driven very easily. In short the members did well and diligently changed the look of the village during a short period. The keen interest evinced by the members augurs well and marked further improvement is soon expected. The beneficial results of all these three Societies would appear insignificant if there would have been no school to impart education. The existence of a successful school would ensure the stability and the success of these Societies as it would kindle the lamp of knowledge in the minds of the villagers and make them real men by giving them good education. So it was decided to organise a Compulsory Education Society in the village which was formed with 53 members. The building for the school was soon acquired and M. Ahsan Shah, Imam of the village Mosque, was prevailed upon to work as honorary teacher. Under the bye-laws of the Society each member is bound to send his children of schoolgoing age between 6 and 12 years to the school. If any member fails to comply with this provision he is held liable to a fine not exceeding Rs. 50 by the Managing Committee of the Society. The school was begun with 34 students but now there are 61 students and a second teacher has also been engaged. All the initial expenses in running this school were borne by the members and it is being run on good systematic lines. The teacher of the school has been granted an allowance of Rs. 10 per mensem by the

Government and other miscellaneous expenditure is being met by the Society. A building was purchased for Rs. 190 last year for the school. In order to provide practical training for the students in agriculture, and also to teach them the improved scientific method of cultivation, a demonstration farm is going to be arranged, for which a suitable piece of land near the school on the Jhelum river has been acquired from the Government. This school has made a satisfactory start and it is hoped that the enthusiasm and keenness of the members will last long enough to bring them happiness and prosperity.

This village was visited by His Highness the Maharaja Bahadur on 20th November 1927 and he was very much pleased to see the various activities of the Co-operative Department and the enthusiasm shown by the members. In order to encourage the members and to instil in the mind of the other villagers a desire to follow the example set by this village, His Highness was pleased to command the remission of one-fourth of the Kharif Revenue to the residents of the village who had tried to make the scheme a success. The command runs as under :—

“I visited Rakh Mujgund village on the 20th November 1927, and was very much impressed with the cleanliness and the excellence of the sanitary arrangements made by villagers on self-helping lines. I consider that such efforts deserve every possible encouragement and in view of the fact that village sanitation is in a very backward condition in this state, I hereby order the remission of one-fourth of the Kharif Revenue due from the zamindars of the village. It is to be noted that this remission is not to be granted to the chakdars and non-residents who have nothing to do with this scheme, because they do not live in the village.

"I shall be glad if the Revenue Minister, in consultation with the Director of Medical Services will prepare a scheme whereby similar remission of revenue might be granted in case of attempts at improvement of village sanitation proving successful, as in the case of the Rakh Mujgund village."

The activities of the school were also admired and prizes of Rs. 125 were awarded by His Highness to the students. Two Khillats of Rs. 50 each were awarded to Sultan Bhat, the President, and Rasool Wain, the Treasurer of the Credit Society, who had taken a very keen interest in making the Societies a success. The visit of His Highness, and the bountiful gift bestowed upon them in admiration of their work, will be very gratefully remembered by the villagers for generations to come.

The other distinguished gentlemen who visited the village are as below:—

1. Director of Medical Services, Jammu and Kashmir Government.
2. Judicial Minister, Jammu and Kashmir Government.
3. Finance Minister, Jammu and Kashmir Government.
4. Sardar Abdul Rehman Effendi and M. Ihsanul Haq, District and Sessions Judge, Jhelum.
5. Major R. P. Dube, Esq., Officiating Revenue Minister, Jammu and Kashmir Government.
6. Major E.B. Howel, C.I.E., I.C.S., Resident, Jammu and Kashmir State.

The Hon. the Resident was pleased to record the following remarks:

"By kind permission of His Highness the Maharaja Bahadur I visited Rakh Mujgund and was interested in all that I know of the doings of the co-operative credit society and other village societies. They appear very promising

and augur well for the future. They also reflect credit on all concerned. "

7. Sir Leslie Scot and Party on 7th April 1928.

They were pleased to record as follows:—

" We have all been immensely interested in the model village with its four co-operative societies and greatly admire the work that has been achieved. The school also much impressed us. The system looks like supplying the key to most of the problems of the rural communities in India. We congratulate the Director-General. "

8. Butler Committee on 8th April 1928.

9. Lord Linlith Gow, President of the Royal Agricultural Commission on 29th April 1928.

His Lordship was pleased to make the following remarks:

"I have been greatly interested in all that I have seen. I wish the village of Rakh Mujgund all prosperity for the future."

The remarks of these distinguished gentlemen will be carefully treasured up as most valuable assets in the annals of the Society. The Director of Medical Services who visited the Society was kind enough to suggest further improvements in regard to the sanitary condition of the village and houses. These suggestions were carried out very carefully.

Improvements both in the direction of agriculture and horticulture are also being made. In the last year 6097 fruit and other trees were obtained from the Horticulture Department and planted on the roads passing round and through the village and on the lands of the members. It is hoped that this year many more trees will be obtained

from the Government Nurseries and planted on the fields.

Unfortunately, in the last unprecedented flood which wrought havoc in the Valley the houses and lands of the members were damaged. The cattle and crops of the members were swept away and several houses collapsed and the compound walls were levelled to the ground. The maize crop was exceptionally a bumper one in this village and the members hoped to gain much by the sale thereof. But their hopes were nipped in the bud and they sustained a heavy loss. Every effort was made to render them proper assistance and afford monetary relief to retrieve the losses incurred by the members at this critical juncture. The village owing to the devastation made by the flood coupled with the excessive and early snowfall, which measured about 8 feet deep, presents a sorrowful appearance and arrangements are being made to bring it to its former state. Further improvements have been kept in abeyance for the time being.

The example set by this village in connection with the improvement of sanitary condition has been followed by 12 other Societies and further progress is going on.

A MESSAGE TO THE YOUTH OF KASHMIR.

Co-operation is defined as a form of organization wherein persons voluntarily associate together as human beings on a basis of equality for the promotion of the economic interests and to adopt measures designed to inculcate the spirit and practice of thrift, self-help and mutual aid among its adherents. No doubt Co-operation is essentially a movement of economic reconstruction, but it has an essentially moral element in it and is based on honesty and self-denial and from the inculcation and exercise of these virtues it looks up to the uplifting of a whole people. It is, therefore, well described as a religion applied to business. It seeks to strengthen the weak, to protect the community, and to give fairplay to all. Co-operation is not merely a movement for the displacement of the blood-sucking usurer and the unscrupulously greedy profiteer. It is a potent force in the reconstruction of the society which as constituted nowadays is only an endless conflict of interest between the consumer, the producer and the capitalist. Its motto is, "Each for all and all for each" and its goal is to secure better living, better business, and better production. It ensures that production is for use and not for profit, it does not end there, but goes further and aims at producing fine human beings in preference to rich goods. It seeks to break the monopoly of the capitalist by establishing an identity of economic interest among consumers and producers who by union of forces hope well to secure economic gains beyond the reach of any of them acting in their individual capacity. Its methods are those of Democratic Government, universal franchise, equal rights and full publicity.

The Co-operative Movement in its varied activities now comprises approximately 80 million members. Great

Britain is noted for her Consumers' Movement, for her Producers' Societies, Denmark for Agricultural Societies, Germany for her wonderful system of rural Credit, Italy for her People's Banks, Labour Societies and Joint Farming, America for her splendid Agricultural Marketing Organisations, Ireland for her Dairies and Creameries, while India's contribution to this great cause is Co-operative Credit. In India the Movement had its origin in 1904, and we have now about one lac Societies mostly for Agricultural Credit with about 51 lacs of members and a working capital of over 10 crores of rupees. The Movement has achieved splendid results in India during the last twenty five years in inculcating the principle of thrift, self and mutual help. It has not only improved the economic condition of the masses but is also raising the moral tone of the community. Here in Kashmir the Movement was started in Sambat 1971, (1914 A.D.) and had to bitterly experience calamitous vicissitudes, awful handling and contemptuous neglect coupled with hasty, forced and phenomenal growth all of a sudden and the inevitable result was that good many mushroom like sprung up organisations which could appropriately be styled as mere lingering on skeleton societies had to be weeded out in order to make room for spontaneous, sound and healthy organisation. At present there are over twelve hundred Societies of agricultural and artisans such as carpet and blanket weavers, paper makers, shawl makers, embroidery and needle workers, wood carvers, paper machine, meat sellers, milk sellers, weavers and barbers, etc. etc. Besides there are Compulsory Education, Adult Education, Consolidation of Holdings, Experimental Farming, Sanitation and the Employees' Saving Societies as well as Labour Societies for Mahaning (floating down) Timber in Jehlum River. The number of adherents is about 35 thousand

who command resources exceeding Rs. 40,00,000/-. The Movement is now gaining ground and making steady progress. Its beneficial results will be apparent and appreciated in due course. It may be noted here that the Co-operative Movement has stood a severe test during the Great War, during which, while so many flourishing institutions went into the melting pot, this Movement emerged out not only unscathed but stronger than ever. It has now been conclusively proved without any doubt, and admitted by seers of all the world over, that principles on which it is based are essentially sound and of great benefit to all the countries. If Germany after 50 years' efforts on Co-operative lines was able to break the power of the money-lenders and gradually to convert her Societies from credit to thrift there should be every good reason to expect that similar efforts would in due time produce similar results in this country though the task might be more trying, more arduous and greater on account of special obstacles and social system which can only be overcome by prolonged, persistent and determined efforts. Co-operation does not believe in reformation and reconstruction by magician's touch of wand. Necessary precaution is indispensable, and any attempt at hurry for the realization of this end should be deprecated, as the greatest enemies of the Co-operative Movement were those who wished and tried to recklessly force the pace and to advance without consolidating the gains and carefully complying with the fundamental essentials. The development of the Movement must essentially depend on the character of the people and on the ability and capacity of leaders. In order to secure for the masses a higher standard of living, sound economic leadership is urgently needed. It is very necessary that

the Co-operative workers must become experts in rural economics and seek far and wide for useful ideas and valuable suggestions. Their policy must be to educate the people. By education it is meant that they should be taught not merely to read and write but also that they should be properly educated in the positive direction of better cultivation, better animal husbandry, better buying, better selling, and also in the negative direction of abstention from the money-lender, from unproducting borrowing and from waste and extravagance. Without adult education of the right type the problem of low standard of living would remain unsolved. The general ideas prevalent here are found essentially uneconomic. The extravagant habit of the people as well as prevailing custom and sentiments, some fortified by religious susceptibilities, make up a burden beyond their power to bear. It must therefore be freely and frankly recognised that the idea can never be attained without something like a complete revolution in the general outlook. It is for the apostles of the Co-operative Movement to endeavour to ensure what type of scientific agriculture and crafts evolved by experts is suitable to the economic condition of the villages. Their attempt should be to arouse a keen desire for better living through better farming and better business for a better life through greater effort and for a better Kashmir through self-help.

Though here we have a handful of official workers but much dearth is felt of unofficial workers who, like pioneers of the true Co-operation, may undertake this simple, innocent and honest work that man can lay his hand to, selflessly in an ennobling missionary spirit without asperity, without ostentation, without wordly rewards and even without caring to obtaining popularity

or applause. We ardently wish to find here a Raiffasen and a Horace Plunkett who may be inspired with the truly courageous enthusiasm, burning zeal, indomitable will and sympathetic heart for the alleviation of the sufferings and consequent regeneration of the teeming million of the illiterate wretched masses in the enviably blessed land of Kashmir which is aptly described as "Paradise on Earth." I realize, being fully alive to and conversant with the prevailing local circumstances, that the old have their deep rooted prejudices and narrow-minded and vested interests, whereas the young have ardent fresh minds and a new and broad outlook on life. It is they and they alone who can best appreciate the deep significance of this new gospel of Co-operation. It is, therefore, to arouse enthusiasm, love and sympathy for those who are miserably eking out their lives to create selfless workers of the right sort and to inspire unblessed young minds with the invincible faith and the zeal of a Raiffasen and Horace Plunkett that I wish to convey this message and make a passionate appeal to the youth of the God blessed land of Kashmir with the fervent hope that they would rise to the occasion and respond to the call of duty. Co-operation is admittedly one of the great world forces which tend to establish an economic order which harmonises the interest of the individual and the community and its teachings should therefore evoke a stirring response from among the youth of all shades of opinion, and of whatever caste, creed and race they belong to, who aspire to build for themselves and their poverty-stricken brethren a new social order by contributing their share for the uplift of the depressed agriculturists, artisans, menials and all persons of limited means in the Kashmir province.

The educated youth are again earnestly appealed with all the emphasis at my command, to work for the amelioration of the people with zeal, energy, patience, apostolic fervour and continuous devotion so thoroughly exemplified in the above-noted high personalities of foreign countries. May the Almighty gift the youth with the necessary persuasive and insidious power and also the requisite qualities of mind and heart to drag out and carry upward the wheels of the chariot of economic salvation now hopelessly entangled in the mire of poverty and illiteracy. They should pledge in their hearts to carry on this noble work of economic regeneration by educating the means and spreading broadcast the golden principles of Co-operation. They should in their various spheres of work endeavour hard to enlighten their fellow-brethren by eradicating out their deep rooted prejudices and by making them simply to unite together for the sake of common weal and form Co-operative Society in their respective village for the inculcation and practice of thrift, self and mutual help and for the consequent but sure betterment of their lot they should be unfailingly taught to lay by savings and get their requirement defrayed from the Co-operative Societies and to abstain from extravagance waste and other cursed vices which are eating up the marrow out of their bones. They should take in the work of actual organization and administration of these humble Societies. The future of this Movement lies with those who being of the people live among the people and yet by their intelligence, prescience and energy are above the people and who do not commit the horrible crime of exploitation for personal illegal gratification and thereby accelerate the misery of the people but fearing God do their level best to mitigate the sufferings and bring them on the road to peace, prosperity and happiness.

